

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (05/18):**

BUTTER: Grade AA closed at \$1.9100. The weekly average for Grade AA is \$1.8900 (+.0358).

CHEESE: Barrels closed at \$1.5675 and blocks at \$1.6075. The weekly average for barrels is \$1.5630 (+.0065) and blocks, \$1.6075 (+.0130).

NONFAT DRY MILK: Extra Grade closed at \$1.0300 and Grade A closed at \$1.0400. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0400 (N.C.).

BUTTER: Butter markets are firm. Butter production across the country is mixed, depending on cream availability and pricing. Often, cream supplies appear to be more available. Stocks of butter continue to be reported as lighter than desired for this time of the year. Some Midwestern and Eastern contacts report that additional volumes are being offered by Western producers. In many instances, these extra offerings are being purchased for future needs. Retail demand is slower as some reports of consumer price resistance are starting to surface. Food service orders are stronger as seasonal food outlets prepare for the upcoming Memorial Day holiday weekend and the unofficial start of the summer vacation season.

CHEESE: The cheese market is steady. Current cash cheese prices at the Chicago Mercantile Exchange are more than 40 to 50 cents higher than at both the start of the year and the comparable week in 2000. Demand is steady to occasionally slower. Slight seasonal increases in milk and cheese production combined with resistance to higher prices are starting to increase spot offerings of a few varieties. Milk and cheese availability for late summer and fall remains a concern for traders and end users.

FLUID MILK: Milk production is steady to higher with the most notable increases reported in Florida. Warmer temperatures are expected to deter output in areas of the Southwest as volumes reach seasonal peaks. Class I movement is steady to lower due to school closings. Condensed skim demand is unchanged with price increases noted on Class III skim as traders anticipate a higher May Class III price. Cream demand is good and offerings are heavier than the previous week. Ice cream production is strong. Cream buyers for the ice cream industry are noting the increasing price of cream and becoming more selective of spot purchases. Heavier cream supplies are encouraging butter churning activity.

DRY PRODUCTS: NDM markets are generally unchanged. While NDM production is showing signs of seasonal increase, supply conditions are steady. Eastern stocks are short of interest while Western stocks are adequate for end use and CCC movement. Buttermilk markets are mixed. Increases in condensed supplies in the Central region are encouraging production while supplies remain tight elsewhere. Demand is fair at best. Whey markets are firm. Supplies are often difficult to find with resale offers trending higher. Concern is being expressed in relation to the growing price differential between EU and US whey prices. The WPC market is steady. Sales are good into export and food accounts. However, resale product is being offered below the average as feed buyers reduce orders and speculate over a CCC sell back. Lactose demand

is good and prices are moving higher with increasing interest from domestic and export buyers.

CCC: During the week of May 14 - 18, CCC net purchases totaled 5,734,039 pounds of nonfortified NDM and 396,592 pounds of fortified NDM from the West.

MAY MILK SUPPLY & DEMAND ESTIMATES (USDA/WASDE): For the first projection of the 2001/02 marketing year, milk production is forecast to expand as higher milk prices slow the rate of decline in cow numbers and milk output per cow increases. For 2000/01, milk production is forecast to decline about 1%. Milk per cow fell below year-earlier levels during December through March, but is forecast to begin recovering by summer. Cow numbers are expected to remain below a year earlier. Commercial use is firm, helping to support product prices. Due to stronger cheese prices, the forecast for the 2000/01 Class III price is increased this month to \$11.75-\$11.95. The Class IV price is raised to \$13.50-\$13.80 due to strong butter prices. The all milk price is forecast at \$14.10-\$14.30.

APRIL MILK PRODUCTION (USDA/NASS): Milk production in the 20 major states during April totaled 12.2 billion pounds, down 1.9% from April 2000. Production per cow averaged 1,572 pounds for April, 21 pounds (1.3%) below April 2000. The number of cows on farms was 7.74 million head, 45,000 head less than April 2000, and 12,000 head less than March 2001.

DECEMBER MAILBOX PRICES (USDA/DAIRY PROGRAMS): In December 2000, mailbox milk prices reported for selected Federal milk orders averaged \$12.92, \$0.51 more than the revised figure for the previous month. Compared to December 1999, mailbox milk prices, on average, increased \$0.92. Mailbox prices again are being shown for those sub-order areas for which the data can be released; additional information for November is now available.

APRIL FEDERAL MILK ORDER PRICE AND POOL SUMMARY (USDA/DAIRY PROGRAMS): During April, about 9.9 billion pounds of milk were received from producers. This volume of milk is 1.8% lower than the April 2000 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is +1.2%.) About 3.7 billion pounds of producer milk were used in Class I products, 1.4% higher than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2001 as compared to 2000. The all-market average Class utilizations were; Class I = 37%, Class II = 9%, Class III = 47%, and Class IV = 7%. The weighted average statistical uniform price was \$14.32, \$0.68 higher than last month, and \$2.69 higher than last year.

FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (USDA/DAIRY PROGRAMS): Under the Federal milk order pricing system, the base price for Class I milk for June 2001 is \$14.99. This price is derived from the advanced Class IV skim milk pricing factor of \$7.90 and the advanced butterfat pricing factor of \$2.1033 per pound. Class I differentials specific to each order are added to the base price to determine the Class I price. The Class II skim milk price for June is \$8.60 and the Class II nonfat solids price is \$0.9556 per pound. The following are the two-week product price averages: butter \$1.8397, nonfat dry milk \$1.0173, cheese \$1.4731, and dry whey \$0.2535.

******SPECIALS THIS ISSUE******

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY MAY 14	TUESDAY MAY 15	WEDNESDAY MAY 16	THURSDAY MAY 17	FRIDAY MAY 18	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.5600 (N.C.)	\$1.5600 (N.C.)	\$1.5675 (+.0075)	\$1.5600 (-.0075)	\$1.5675 (+.0075)	+.0075	\$1.5630 (+.0065)
40# BLOCKS	\$1.6075 (+.0050)	\$1.6075 (N.C.)	\$1.6075 (N.C.)	\$1.6075 (N.C.)	\$1.6075 (N.C.)	+.0050	\$1.6075 (+.0130)
BUTTER GRADE AA	\$1.8800 (+.0300)	-----	\$1.8800 (N.C.)	-----	\$1.9100 (+.0300)	+.0600	\$1.8900 (+.0358)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM (NOTE: The NDM daily/weekly prices are reported here when changes occur. The Extra Grade price is \$1.0300 and Grade A price is \$1.0400. NDM information remains available at the above internet address.)

CHICAGO MERCANTILE EXCHANGE

MONDAY, MAY 14, 2001

CHEESE — SALES: 2 CARS BARRELS: 1 @ \$1.5650, 1 @ \$1.5600; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.6075; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 8 CARS: 1 @ \$1.8600, 5 @ \$1.8800, 1 @ \$1.8775, 1 @ \$1.8800; BIDS UNFILLED: 1 CAR @ \$1.8500; OFFERS UNCOVERED:
 1 CAR @ \$1.9000

TUESDAY, MAY 15, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.6075; OFFERS UNCOVERED: NONE

WEDNESDAY, MAY 16, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 2 CARS BARRELS: 1 @ \$1.5675, 1 @ \$1.5625; 1 CAR 40# BLOCKS @ \$1.6075; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 4 CARS: 1 @ \$1.8800, 1 @ \$1.8700, 1 @ \$1.8675, 1 @ \$1.8800; BIDS UNFILLED: 4 CARS: 1 @ \$1.8775, 1 @ \$1.8700, 2 @ \$1.8500; OFFERS UNCOVERED: NONE

THURSDAY, MAY 17, 2001

CHEESE — SALES: 3 CARS BARRELS: 1 @ \$1.5700, 1 @ \$1.5675, 1 @ \$1.5600; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.6075; OFFERS UNCOVERED: NONE

FRIDAY, MAY 18, 2001

CHEESE — SALES: NONE; BIDS UNFILLED: 1 CAR BARRELS @ \$1.5675; 1 CAR 40# BLOCKS @ \$1.6075; OFFERS UNCOVERED: NONE
 BUTTER — SALES: NONE; BIDS UNFILLED: 6 CARS: 1 @ \$1.9100, 1 @ \$1.9025, 1 @ \$1.9000, 1 @ \$1.8950, 1 @ \$1.8900, 1 @ \$1.8800; OFFERS UNCOVERED: NONE

Dairy Market News will report CME nonfat dry milk activity only on the sessions when trading occurs.

BUTTER MARKETS**NORTHEAST**

The market tone remains firm. Prices are generally higher as the AA butter price at the CME continues to increase. Reports of increasing imports of butter are doing little to impact domestic prices. Contacts report that what inventories there are, are often in producers' hands and some traders are buying on the exchange to satisfy immediate needs. For the past week or two, butter production is heavier as excess cream volumes have been reported as long. More cream suppliers and traders report that supplies have increased and Class II demand has slowed. This forces more cream into Class IV (butter) plants. Butter stocks are held with some confidence as producers need to anticipate and fill late-summer needs. Currently, demand for bulk and print butter is fair to good. Sales of bulk butter, f.o.b. East, are reported in a range of 3.5 – 8.0 cents over the CME price/average.

CENTRAL

The market tone remains firm. Many producers and handlers continue to build inventories whenever possible. Cream availability is adequate, although many producers state that cream pricing is higher than desired for this time of the season. In instances, some butter producers are passing up cream offerings or are trying to negotiate more favorable prices for their needs. Some Midwestern butter producers are receiving cream from Western sources at favorable prices. Stocks of butter are lighter than many producers and handlers desire. Although butter stocks are lagging last year at this time for many producers, slower sales are

allowing stocks to build. Butter demand is fair at best. Retail orders are not overly aggressive, as some retailers are stating that there may be some consumer price resistance occurring. Food service orders are stronger as seasonal food outlets prepare for the upcoming Memorial Day holiday weekend, the unofficial start of the summer vacation season. When available, bulk butter for spot sale is selling in a price range of 3 – 5 cents per pound over various pricing bases.

WEST

Bulk butter demand is steady and is clearing any offerings in a timely fashion. Print orders have slowed somewhat. Cream continues to move into ice cream manufacturing as a first choice with the balance finding its way into the churn. Contacts are waiting to see what the bi-monthly cream price in California will do at the end of the month. The assumption is that it will increase quite sharply making cream prices in California less competitive. CME weekly butter stocks grew by 3.25 million pounds this past week. Over the last five weeks stocks have increased 8.25 million pounds compared to 9.06 over the same period last year. Stocks now stand at 62.1 million pounds, 15.7% behind last year at this time. (Last year stocks were revised about 25 million pounds higher during week 24.) Current prices for bulk butter nominally range from 4 cents under to flat market based on the CME with various time frames and averages involved.

NASS DAIRY PRODUCT PRICES
 U.S. AVERAGE AND TOTAL POUNDS

<u>WEEK ENDING</u>	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 38% MOISTURE			
MAY 12	1.4591 7,006,017	1.5135 8,843,253	1.0181 22,799,628	1.8227 4,075,312	0.2527 10,366,762

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices continue to rise and the market tone remains firm. Some contacts wonder "how high is high" when discussing prices. Retailers are passing these increasing costs along and, at some point (if they haven't already) consumers will react by purchasing less cheese. The CME weekly average price for blocks and barrels have increased every week but one since early February. Wholesalers and retailers are doing their best to stay current with their inventories. They want to stay ahead of increasing prices, but they do not want to get caught with too much on hand should prices retreat. Cheese production levels in the East are up slightly as surplus milk supplies are starting to increase. Cheddar stocks are more than ample for current demand. Mozzarella continues to move very well and stocks are "on the tight side." Food service orders coming in as the "beginning of summer" is less than two weeks away. Restaurants along the shore are gearing up for increased business during and after the Memorial Day weekend. Also, fast food restaurant promotions are clearing good quantities of process cheese.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	: 1.6400-2.1100
Cheddar Single Daisies	: 1.5975-2.0575
Cheddar 40# Block	: 1.7350-1.9175
Process 5# Loaf	: 1.7675-1.9275
Process 5# Sliced	: 1.7875-2.0425
Muenster	: 1.8000-2.0075
Grade A Swiss Cuts 10 - 14#	: 2.3500-2.5500

MIDWEST

The cheese market is steady. Current cash cheese prices at the Chicago Mercantile Exchange are very high for May, in the upper \$1.50's to low \$1.60's. At least a few traders anticipate prices could weaken if milk and cheese supplies increase significantly during the next few weeks. Current offerings are becoming just slightly more available for American varieties and mozzarella though Swiss remains very tight. Buyers are more focused on product for immediate needs, to fill current orders. Process demand is mixed, slower where buyers react to higher prices though steadier for food service. Cheese deliveries to summer resort areas are well underway as they prepare for the upcoming Memorial Day weekend openings. In addition, other HRI (hotel, restaurant, institutional) demand is generally good bolstered by traditional events such as graduations and weddings. Demand for processing solids remains strong as processors try to offset current barrel prices with other sources. Cheese yields are lower as protein and fat contents are lower on incoming milk supplies. Any extra milk supplies are welcomed by plants, despite increasing milk prices.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	: 1.7775-1.9000
Brick And/Or Muenster 5#	: 1.8600-2.1900
Cheddar 40# Block	: 1.8600-2.1150
Monterey Jack 10#	: 2.0900-2.2175
Blue 5#	: 2.3350-2.4900
Mozzarella 5 - 6# (Low Moisture, Part Skim)	: 1.8700-2.2150
Grade A Swiss Cuts 6 - 9#	: 2.1450-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	: MAY 14 - 18, 2001
BARRELS*	: \$1.5675 - 1.6525 (nominal)
	: (\$.0100) (.0100)
40# BLOCKS	: \$1.5950 - 1.6675 (nominal)
	: (\$.0300) (.0300)

() Change from previous week. * If steel, barrel returned.

WEST

Both natural and process cheese prices have increased weekly for the past nine weeks. Some buyer resistance has begun to develop. Some buyers are choosing to use up most of the inventories that they have on hand before reordering. They are thinking/hoping that prices may stabilize or perhaps even fall in the interim if many other buyers utilize the same strategy. Two telling factors as to whether this has a chance of succeeding are the milk production and cold storage reports that USDA will be releasing this week. Some cheese has backed up at the producer level, but most report still being in a tight to sold out position. Scattered reports of cheese processors looking at imported processing solids at very competitive prices are surfacing. Demand for mozzarella cheese is very strong and offerings are not large enough to efficiently handle the interest. Swiss sales are good with the possibility of higher prices noted as milk prices continue to increase. Block cheese prices at the CME a year ago were about \$1.09.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	: 1.7075-1.9675
Cheddar 40# Block	: 1.7175-1.8800
Cheddar 10# Cuts	: 1.8975-2.1175
Monterey Jack 10#	: 1.9075-2.0675
Grade A Swiss Cuts 6 - 9#	: 2.3500-2.5100

FOREIGN

Prices for domestic styles continue their upward spiral. The market tone is entering its spring/summer lull. Historically, as the vacation season begins, consumption of foreign-type table cheeses slows. Demand for imported cheese used for processing or as an ingredient is improving as the domestic cheese prices hit record levels for this time of year. Stocks are generally adequate for current, fair demand.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-3.1400	: 1.9425-3.4375*
Gorgonzola	: 3.2400-5.9400	: 2.4900-5.5100*
Parmesan (Italy)	: TFEWR	: 3.3575-3.3825*
Romano (Italy)	: 2.1000-2.9900	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.9500-2.1700*
Romano (Cows Milk)	: -0-	: 3.1325-5.3125*
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.5900	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-2.6800	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
05/14/01	28,521	122,872
05/01/01	25,175	122,899
CHANGE	3,346	-27
% CHANGE	13	NC

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	175	0	176	0	132
SOUTHEAST STATES	0	0	0	0	0	0

Regional Milk Market Administrators announced the following, April 2001 uniform prices: Northeast \$15.24, Mideast \$13.94, Southeast \$15.57, Florida \$17.34, and Western New York (a state order) \$15.26 at the base cities/counties in the orders. (For the Northeast, Mideast, and Western New York orders, statistical uniform prices are reported.) Milk production is moving slowly higher in the Northeast, but mostly steady in the Middle Atlantic and Southeast regions. Milk output in Louisiana continues to fall, but at a slower pace. Throughout the region farmers continue to leave the business, which does impact individual plant receipts. Bottled milk sales are steady to slower in most regions. This week, Southern schools are starting to recess for the summer. Most will close during the next 1-2 weeks, which will push more milk into manufacturing channels. This week, Florida handlers continue to move heavier than normal volumes of milk out of state for processing. The relatively mild temperatures in Florida are keeping the milk flow above expected levels. Surplus milk volumes reported by manufacturing plant contacts does seem to be up slightly this week. The condensed skim market is little changed, but prices for Class III may move higher as estimates for the May Class III skim price indicate increases. Demand for wet solids is "back to normal." The fluid cream market is mostly steady. Supplies are in slightly better balance, but clearances to out-of-region butter makers do continue. Ice cream production is seasonally heavy, but the high cost of fat is having an impact on ice cream makers spot purchases. Many are trying to get by with their contracted loads. Some ice cream plants will be down for the Memorial Day weekend, which may affect cream demand next week. The hot weather covering much of the East is giving soft serve mix and hard ice cream sales a boost. Churning activity is moderate to slightly heavier now that more excess cream is available.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.3619-2.5217
DELIVERED EQUIVALENT ATLANTA	-	2.3734-2.5588 M 2.4104-2.4475
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	2.4290-2.5032

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES -	1.0900-1.1500
NORTHEAST- CLASS III - SPOT PRICES	- .8200-.9600

M I D W E S T

Class I demand is steady to often slower. A few additional schools have closed for the summer but most systems still have another week or two to go. Manufacturing milk demand is still good for the limited supplies. Reported premiums on spot sales are at \$1.50 to \$2.00 over class for fob plant and short distance hauls. Some weakness in fluid premiums and larger volumes are anticipated by handlers late next week entering the holiday weekend. It seems that out of area volumes to find manufacturing plant capacity are still lighter than normal. Condensed skim prices for Class II are reported at \$1.09 to \$1.14. Cream demand is strong seasonally. Milk intakes are showing a slower than normal, though noticeable increase in eastern upper tier Midwestern states. The receipt change in Wisconsin and Minnesota is much less noticeable with very few extra trucks added to pick up farm milk. Fat and protein tests also continue to drift lower. The initial April estimated milk production in selected Midwestern states compared with April 2000 is:

Wisconsin 1.89 billion pounds, down 65 million pounds (-3.3%); Minnesota 783 million pounds, off 43 million pounds (-5.2%); Michigan 483 million pounds, up 2 million pounds (0.4), and Iowa 328 million pounds, down 7 million pounds (-2.1%). The 3 Midwestern states with lower milk production represent 48.1% of the total April decline (239 million pounds) reported for the 20 major states and each had fewer cows than a year earlier. Grass growth is rapid due to frequent showers and often above normal temperatures. Planting and spring fieldwork continues though some farmers are stymied by wet fields. Flooding remains a problem in several states including Michigan where some areas received several inches of rain. Alfalfa growth is rapid and some may soon be cut for the first harvest, weather permitting.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APRIL 10 - 16	PREVIOUS YEAR
SLAUGHTER COWS	\$ 42.00- 49.00	\$ 38.00- 45.00
REPLACEMENT HEIFER CALVES	\$300.00-465.00	\$280.00-385.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	APRIL 10 - 16	PREVIOUS YEAR
SLAUGHTER COWS	\$ 43.00- 54.00	\$ 38.00- 47.50

W E S T

The June Class 1 prices in California range from \$16.66 in the north to \$16.94 in the south. The statewide average Class 1 price based on production is \$16.72. The average is \$0.75 higher than May and \$2.94 higher than June 2000. Moderating temperatures helped milk production rebound across California. Solids levels are lower in many areas. Power was interrupted at several processing plants last week, highlighting the need and urgency of processors to have backup generation in place for this summer. More sources are saying that power outages in the state will be worse than earlier predicted. Higher energy costs are being passed on to customers and dairy plants are no exception. Temperatures are high in Arizona, but not impacting milk production as adversely because of cooler nights. Output is steady with some declines in fat and solids noted. The general consensus is that the state is past the seasonal peak. Milk output is said to be holding steady in New Mexico, but the effects of hotter temperatures are expected to impact cows and production. Milk cows and replacement heifers are still in good demand and prices are creeping higher. Demand for cream remains good in the region. Offerings were heavier this week, which stressed pricing to some extent. Ice cream producers continue to reach for supplies of cream to make ice cream while supplies and prices are favorable. Western cream multiples range from 110 to 128 FOB. April US milk production for the 20-states surveyed totals 12.2 billion pounds, down 1.9% from April 2000. Output for selected Western states compared to last year is as follows: Arizona down 9.4%, California up 1.6%, Idaho up 8.6%, New Mexico up 3.8%, and Washington down 4.2%. Cow numbers in these five states increased 110,000 head from last year while the number for the 20-states surveyed declined 45,000 head. Output per cow remains negative in these Western states except for a slight increase in Idaho. Significant rainfall occurred in the Pacific Northwest this week. The timing was generally good from a cropping point of view. This year, rainfall is really welcomed at any time. Hay cutting is just commencing in the region. Quality looks good, but the tonnage is anticipated to be lower than average. Initial prices are looking to be \$15-20 higher than last year on a very light test. Milk production remains strong in the region. Heifer prices continue to firm and culling rates are increasing. Some shower activity also occurred in Utah and Idaho. Some early season alfalfa harvesting was impacted by the wet conditions. Warm temperatures have allowed some people to cut a few weeks earlier than normal. They feel that this fact will be important as conditions dry out and water supplies tighten this summer. Milk output is showing more signs of seasonal increases.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 05/17/01 and represent FOB Central and Western production areas. Prices represent CL/TL quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged on a steady to firm market. Milk production generally remains below seasonally anticipated levels, encouraging a firmer NDM market. Supplies of low heat NDM are mostly steady. Some plants are cutting back on low heat production in order to guarantee contractual commitments of high heat. Supplies of high heat are generally short of buyer interest with some plants gaining substantial premiums over the low heat price. Movement is good into bakery facilities on high heat while cheese interest is readily clearing low heat product. Western supplies are a competitive substitute to Central region product at prices delivered below the average. Mostly prices for report 20 in 2000 were 1.0000 - 1.0100.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0025 - 1.0650 MOSTLY: 1.0250 - 1.0500

DRY BUTTERMILK - CENTRAL

Prices are unchanged to lower and nominal on a firm market. Increases in the fluid cream supply are decreasing interest in condensed buttermilk. Movement of condensed buttermilk into ice cream facilities is lighter than previous weeks, encouraging some plants to increase drying schedules. Most plants are reporting tight supplies yet some manufacturers continue to hold product in anticipation of higher prices. Some new inquiries are being made by candy and seasoning companies. The bulk of dry buttermilk movement is generally on a contractual basis. Prices for report 20 during 2000 were .8150 - .8600.

BUTTERMILK: 1.0550 - 1.1300

DRY WHEY - CENTRAL

Prices are higher on a firm market. Production is steady and less than seasonally expected for this time of year. Some increases in production are anticipated in light of the upcoming Memorial Day holiday and school system recesses. However, the undertone is that any supply changes will be minimal with respect to the current market conditions. Inventories are reportedly tight yet any delays in pickup tends to cause stress on the part of the supplier. Stigma from the EU FMD outbreak is encouraging steady export movement of US whey. However, with good price advantages in EU markets, some 3rd quarter flat prices are being offered to foreign buyers in order to avert expensive US markets. Domestic demand is fair and best into food facilities. Some feed operations are reselling supplies of whey at premium prices to alleviate building costs. Mostly prices for report 20 in 2000 were .1700 - .1800.

NONHYGROSCOPIC: .2600 - .2750 MOSTLY: .2650 - .2700

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged to higher and nominal on a generally firm market. Milk replacer supplies remain difficult to find for the good feed interest. Roller ground production is unchanged to lower due to equipment problems at some locations. Demand is steady with some price resistance noted. Delactose production is unchanged to lower as warmer, humid weather begins to affect output. Supplies remain short of buyer interest. Prices for report 20 in 2000 for milk replacer, roller ground, and delactose respectively were .1300 - .1600, .1600 - .1800, and .3267 - .3450. Early weaned pig trade and veal markets are trending steady to weak.

MILK REPLACER: .2250 - .2575

ROLLER GROUND: .2425 - .2725

DELACTOSE (Min. 20% protein): .4150 - .4300

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a firm market. Spot trading is light. While some plants are running long on stocks and offering at a discount to traders, most facilities are tight and unable to offer additional loads to regular buyers. Some 3rd quarter negotiations continue at higher prices. The undertone is that because of FMD in the EU, US lactose prices will remain firm because of infant formula and pharmaceutical aversion to EU markets. However, with the varying specificity between plants and growing price differentials, traders often find the market difficult to gage. Off grade movement is good into feed facilities for the limited supply. Some feed buyers are looking to permeate as a cheaper and more readily available substitute to lactose. Demand for 200 mesh is steady, especially into export markets. Mostly prices for report 20 in 2000 were .1950 - .2050.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1675 - .2150 MOSTLY: .1775 - .1875

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged on a steady market. While movement into food accounts is generally steady, feed accounts are cautious of holding extra supplies and reducing orders due to speculation of a CCC sell back. Spot sales are light. Resale product is being offered below the average and meeting resistance from buyers. Production is mostly steady with some plants running behind while others take in excess condensed for drying. Export interest continues strong. Movement of 80% is good with supplies in balance to sometimes short of buyer needs. Mostly prices for report 20 in 2000 were .6725 - .6875.

EXTRA GRADE 34% PROTEIN: .7900 - .8250 MOSTLY: .7900 - .8000

NONFAT DRY MILK - WEST

Prices are mostly steady to fractionally lower within the mostly range. Very little changes are being noted in the trade. Production levels are holding level with recent weeks. Demand is good from cheese producers for both condensed skim and NDM, both helping inventory levels. To clarify a statement made in last week's report, energy surcharges are not common on powder sales, but are commonplace and often being increased for transportation. Producers are looking at the option of surcharges for NDM, but for various reasons are not adding surcharges at this time. High heat prices are unchanged in a limited market test. Supplies are light, but ample to cover current needs. During the week of May 7 - 11, CCC net purchases totaled 7.1 million pounds, 6.7 million from the West.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9950 - 1.0300 MOSTLY: 1.0025 - 1.0200

HIGH HEAT: 1.0400 - 1.0700

DRY BUTTERMILK - WEST

Dry buttermilk prices are higher and the market firmer in limited trading. Very little product is available from producers and resellers. Production levels are limited due to higher cream sales. Stocks are light and being held with confidence.

BUTTERMILK: 1.0000 - 1.0800 MOSTLY: 1.0300 - 1.0700

DRY WHEY - WEST

Prices continue to increase for Western whey powder. Buyers are stating that they are often having trouble finding what they need in a timely fashion. Manufacturers are generally reporting that stocks are in a balanced to tight position. A number of comments were noted concerning the export trade. The general consensus is that sales activity is slowing as prices increase. Buyers are turning to European product, which now has a distinct price advantage. The issue remains the herd health related concerns for some buyers. Cheese production, and therefore whey powder output, is increasing seasonally.

NONHYGROSCOPIC: .2400 - .2750 MOSTLY: .2575 - .2650

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
May 11	\$1.0081	13,373,651
May 4	\$1.0091	13,481,755

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities for domestic and export sales in 25 kg. or 50 lb. bags, and totes, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are generally unchanged and nominal. Production levels are up slightly this week. More contacts report that surplus milk volumes are increasing slowly. This, coupled with a slightly less aggressive demand for condensed skim, pushed more skim through dryers. Eastern producers are still short of powder and are barely able to meet contract commitments. Spot demand is generally filled with resale and/or powder from other regions. Drying in the Southeast is up as surplus milk volumes coming out of Florida are heavy and Class I needs are slowing in this region. Demand is fair and not overly aggressive. Market activity seems to be limited to regular customer taking regular volumes. Traders and producers report a relatively quiet week.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0300 - 1.0850 MOSTLY: 1.0300 - 1.0600

HIGH HEAT: 1.0575 - 1.1100 MOSTLY: 1.0600 - 1.1000

DELVD SOUTHEAST:

ALL HEATS: 1.0550 - 1.1500

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. Prices are nominal. Production levels are about steady. This week, churning activity was reported as moderate to heavy in those plants that are making butter. Sales of condensed buttermilk are steady and drying is light. Few Eastern producers have dry buttermilk on hand for immediate shipment. Most are barely making enough to cover contracts. Demand for powder seems to have leveled off at good levels.

F.O.B. NORTHEAST: 1.0300 - 1.0600

DELVD SOUTHEAST: 1.0550 - 1.1550

DRY WHOLE MILK - NATIONAL

Prices are steady to higher and the market tone is steady. Production levels are light and still geared to meeting orders. Spot demand is slow. Contracts continue to clear most of the current output. Producer stocks are closely balanced.

F.O.B. PRODUCING PLANT: 1.3925 - 1.5400

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2000 THROUGH MAY 11, 2001
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK -- 68,201 MT (150,355,925 LBS)
This program-year allocation is filled.

CHEESE -- 3,030 MT (6,679,938 LBS)
This program-year allocation is filled.

Allocations for the DEIP year beginning July 1, 2000: Nonfat dry milk - 68,201 MT; Cheese - 3,030 MT; Butterfat - 21,097 MT.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices moved fractionally higher and the market tone is firm. Prices do remain nominal as there are few spot sales being reported. Most Eastern producers are sold out and are not accepting orders from new customers. Production levels are mostly steady and most manufacturers are having some difficulty filling the orders of existing customers. Production levels are mostly steady, but some contacts report that milk volumes are slowly increasing. Any extra loads, at the producer levels that may become available are being held with confidence. Some contacts note that there is, at least in their situation, an improving demand for dry whey in totes. Demand is good. Buyers/traders/users all seem to think prices are on an upswing and they would like to pick up more whey, if they can, before prices move higher.

F.O.B. NORTHEAST: EXTRA GRADE .2650 - .2700

USPH GRADE A .2675 - .2750

DELVD SOUTHEAST: .2875 - .2975

EVAPORATED MILK - NATIONAL

There have been no reported price changes, but milk prices are expected to increase in the coming months and the increasing energy costs are more of a factor in production. Demand is fair and mostly for replacement volumes. The Kansas City Commodity office announced the issuance of EVD-1, invitation 670 inviting competitive offers to sell to CCC 5,177,520 pounds of evaporated milk for delivery July - September 2001. Offers are due by 11:00 a.m. CDT, May 21, 2001.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

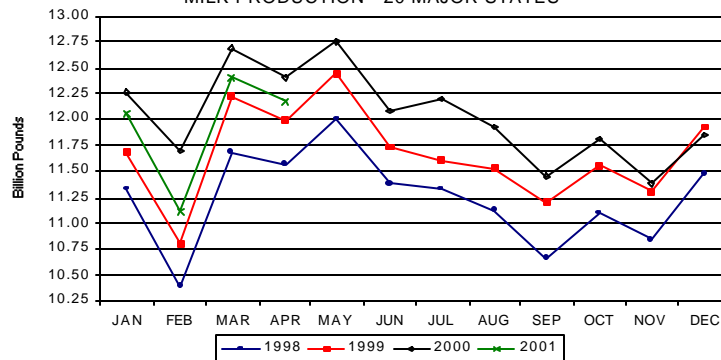
Casein markets remain firm. Most domestic buyers continue to receive shipments, although they are not as timely as scheduled. In many instances, they are also lighter than anticipated. Most casein importers and domestic buyers are closely monitoring the two bills that were introduced to both houses of congress Committees on Finance pertaining to imposing tariff-rate quotas on certain casein and milk protein concentrates. It is too early to project what impact this will have on casein markets in the U.S., but most handlers and buyers anticipate changes for the future.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.4500 - 2.6500

ACID: 2.4500 - 2.6500

MILK PRODUCTION - 20 MAJOR STATES



MAY MILK SUPPLY AND DEMAND ESTIMATES*

This report presents the first projections of U.S. milk supply, use, and prices for the 2001/02 marketing year. Projections are based on economic analysis, normal weather, trends, judgment, and the termination of the dairy price support program on 01/01/02. Milk production in 2001/02 is forecast to expand as higher milk prices slow the rate of decline in cow numbers and milk output per cow increases. For 2000/01, milk production is forecast to decline about 1 percent. Milk per cow fell below year-earlier levels during December through March, but is forecast to begin recovering by summer. Cow numbers are expected to remain below a year earlier. Commercial use is firm, helping to support product prices. Due to stronger cheese prices, the forecast for the 2000/01 Class III price is increased this month to \$11.75 to \$11.95 per cwt. The Class IV price is raised to \$13.50 to \$13.80 per cwt. due to strong butter prices. The all milk price is forecast at \$14.10 to \$14.30 per cwt. Although larger milk production is expected in 2001/02, prices are likely to remain high. The Class III price is projected at \$11.90 to \$12.90 per cwt., the Class IV price declines to \$12.10 to \$13.30, per cwt., and the all milk price is projected at \$13.65 to \$14.65 per cwt.

Item	1999/00 1/	2000/01 Projection 1/		2001/02 Projection 1/	
		April	May	April	May
SUPPLY		BILLION POUNDS			
BEGINNING COMMERCIAL STOCKS 2/	7.4	8.9	8.9	NA	7.9
PRODUCTION	167.4	166.5	165.5	NA	169.2
FARM USE	1.3	1.3	1.3	NA	1.2
MARKETINGS	166.1	165.2	164.2	NA	168.0
IMPORTS 2/	4.6	4.6	4.7	NA	4.7
TOTAL COMMERCIAL SUPPLY 2/	178.2	178.8	177.8	NA	180.6
USE					
COMMERCIAL USE 2/ 3/	168.5	170.5	169.7	NA	172.4
ENDING COMMERCIAL STOCKS 2/	8.9	8.0	7.9	NA	8.0
CCC NET REMOVALS:					
MILKFAT BASIS 4/	0.8	0.3	0.3	NA	0.2
SKIM SOLIDS BASIS 4/	8.5	6.1	5.7	NA	2.3
		DOLLARS PER CWT.			
MILK PRICES 5/					
BASIC FORMULA/CLASS III PRICE 6/	9.99	10.80-11.10	11.75-11.95	NA	11.90-12.90
CLASS IV 7/	11.51	13.00-13.50	13.50-13.80	NA	12.10-13.30
ALL MILK 8/	12.61	13.40-13.70	14.10-14.30	NA	13.65-14.65
		MILLION POUNDS			
CCC PRODUCT NET REMOVALS 4/					
BUTTER	11	0	0	NA	5
CHEESE	17	16	16	NA	6
NONFAT DRY MILK	690	510	475	NA	195
DRY WHOLE MILK	34	3	3	NA	0
	QUARTERLY 9/			ANNUAL 9/	
	2001 II	2001 III	2001 IV	2001	2002
MILK PRODUCTION	42.8	40.7	41.1	165.9	169.9
		DOLLARS PER CWT.			
ALL MILK PRICE 5/ 8/	14.95-15.25	15.30-15.90	15.75-16.65	14.80-15.30	13.20-14.20
CLASS III PRICE 5/ 6/	13.15-13.45	13.90-14.50	13.65-14.55	12.80-13.30	11.60-12.60
CLASS IV PRICE 5/ 7/	14.40-14.70	14.25-14.85	13.95-14.85	13.80-14.30	11.80-12.80

NOTE: Totals may not add due to rounding. 1/ Marketing year beginning October 1. 2/ Milk equivalent, milkfat basis. 3/ Includes commercial exports. 4/ Includes products exported under Dairy Export Incentive Program. 5/ Projections indicate a range of the average for the quarter or year. 6/ Basic Formula Price (BFP) through December 31, 1999; Federal milk order Class III price beginning January 1, 2000. 7/ Federal milk order

Class IV price. 8/ Milk of average fat test. Does not reflect any deductions from producers as authorized by legislation. 9/ Calendar year basis projection.

* The World Agricultural Supply and Demand Estimates were approved by the Interagency Commodity Estimates Committee. The members for Dairy are: Shayle Shagam, Chairperson, WAOB; John Mengel, AMS; Arthur Coffing, FAS; James Miller, ERS; and Daniel Colacicco, FSA.

SOURCE: "World Agricultural Supply and Demand Estimates," WASDE-374, World Agricultural Outlook Board, USDA, May 10, 2001.

APRIL MILK PRODUCTION

Milk production in the 20 major States during April totaled 12.2 billion pounds, down 1.9 percent from April 2000. March revised production, at 12.4 billion pounds, was down 2.3 percent from March 2000. The March revision represented a decrease of 2 million pounds, virtually unchanged from last month's preliminary production estimate.

Production per cow in the 20 major States averaged 1,572 pounds for April, 21 pounds below April 2000.

The number of cows on farms in the 20 major States was 7.74 million head, 45,000 head less than April 2000, and 12,000 head less than March 2001.

APRIL 2001 MILK COWS AND MILK PRODUCTION, BY STATES

STATE	MILK COWS 1/		MILK PER COW 2/		MILK PRODUCTION 2/		
	2000	2001	2000	2001	2000	2001	% CHANGE FROM 2000
	THOUSANDS		POUNDS		MILLION POUNDS		PERCENT
AZ	138	140	2,080	1,855	287	260	-9.4
CA	1,506	1,574	1,815	1,765	2,733	2,778	1.6
FL	158	154	1,470	1,500	232	231	-0.4
ID	339	360	1,710	1,750	580	630	8.6
IL	120	117	1,520	1,555	182	182	---
IN	145	152	1,370	1,450	199	220	10.6
IA	215	212	1,560	1,545	335	328	-2.1
KY	133	128	1,165	1,170	155	150	-3.2
MI	299	303	1,610	1,595	481	483	0.4
MN	540	515	1,530	1,520	826	783	-5.2
MO	157	148	1,330	1,265	209	187	-10.5
NM	241	261	1,835	1,760	442	459	3.8
NY	695	670	1,460	1,450	1,015	972	-4.2
OH	262	261	1,430	1,440	375	376	0.3
PA	615	599	1,590	1,540	978	922	-5.7
TX	350	339	1,550	1,405	543	476	-12.3
VT	160	152	1,475	1,455	236	221	-6.4
VA	120	118	1,410	1,400	169	165	-2.4
WA	247	246	1,935	1,860	478	458	-4.2
WI	1,349	1,295	1,450	1,460	1,956	1,891	-3.3
20 STATE TOTAL	7,789	7,744	1,593	1,572	12,411	12,172	-1.9

1/ Includes dry cows. Excludes heifers not yet fresh.

2/ Excludes milk sucked by calves.

SOURCE: "Milk Production," Da 1-1 (5-01), Agricultural Statistics Board, National Agricultural Statistics Service, U.S. Department of Agriculture.

**MAILBOX MILK PRICES FOR SELECTED FEDERAL MILK ORDERS AND CALIFORNIA,
DECEMBER 2000, WITH COMPARISONS**

In December 2000, mailbox milk prices reported for selected Federal milk orders averaged \$12.92 per cwt., \$0.51 more than the revised figure for the previous month. Compared to December 1999, mailbox milk prices increased \$0.92 per cwt. on the average. Mailbox prices again are being shown for those sub-order areas for which the data can be released; additional information for November is available now.

Federal milk order <u>1/</u>	Mailbox Milk Price <u>2/</u>		
	December 1999	November 2000	December 2000
	<u>Dollars per hundredweight</u>		
Northeast <u>3/</u>	12.31	12.91	13.22
Mideast	12.39	12.35	12.79
Appalachian	13.72	14.55	14.61
Southeast	12.70	13.56	13.95
Florida	15.59	16.79	16.61
Upper Midwest	11.29	11.56	12.27
Central *	11.50	11.49*	12.21
Southwest	12.44	12.09	12.39
Western	10.39	10.60	11.01
Pacific Northwest	11.45	12.16	12.61
All-Market Average <u>4/</u> *	12.00	12.41*	12.92
California <u>5/</u>	11.36	12.13	12.34
Sub-Order Areas <u>6/</u>	December 1999	November 2000	December 2000
Ohio	---	12.61	12.99
Michigan	---	12.34	12.77
Illinois	---	11.27	12.12
Wisconsin	---	11.37	12.28
Minnesota	---	11.47	12.25
Iowa/Kansas/Nebraska	---	11.04	12.11
Western Texas	---	12.41	12.85
New Mexico	---	11.72	11.88
Idaho	---	10.63*	10.98
Utah	---	10.57*	11.04
Oregon/Washington	---	12.16	12.61

* Information for the previous month is revised.

1/ Federal milk orders for which information could be released. Previous year figures are the weighted average of the prices for the orders that were consolidated. 2/ Net pay price received by dairy farmers marketing milk to handlers regulated under the Federal milk orders. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is a weighted average for the market and is reported at the market average butterfat test. 3/ Includes the value of Northeast Dairy Compact over-order payments received by qualified producers. These over-order producer prices were: December 1999, \$1.00; November 2000, \$0.82; December 2000, \$0.56. 4/ Weighted average of the information for all selected orders combined. 5/ Calculated by California Department of Food and Agriculture, and published in "California Dairy Information Bulletin." 6/ Information is shown for those areas for which prices are reported for at least 75% of the milk marketed under Federal milk orders. The price shown is the weighted average of the prices reported for all orders that received milk from the area.

**TOTAL COW SLAUGHTER UNDER FEDERAL INSPECTION, UNITED STATES, 1999 TO 2001
(THOUSAND HEAD)**

1999			2000			2001		
Week Ending	All Cows	Dairy Cows	Week Ending	All Cows	Dairy Cows	Week Ending	All Cows	Dairy Cows
Jan 2	90.6	40.9	Jan 1	89.9	44.3	Jan 6	108.1	55.3
9	119.0	54.5	8	115.7	57.7	13	134.0	65.6
16	128.8	56.1	15	115.5	56.8	20	117.2	57.7
23	122.4	56.6	22	111.1	52.9	27	115.4	57.8
30	112.6	54.3	29	104.6	51.2	Feb 3	112.5	57.0
Feb 6	109.4	54.7	Feb 5	102.5	51.9	10	110.1	55.1
13	111.6	54.0	12	107.2	54.0	17	110.7	54.5
20	105.1	52.5	19	103.8	51.5	24	111.4	54.2
27	104.8	50.4	26	102.8	53.7	Mar 3	110.3	55.7
Mar 6	107.4	51.2	Mar 4	101.8	55.6	10	111.5	55.7
13	102.9	49.1	11	102.2	55.1	17	110.8	55.3
20	103.5	49.3	18	99.5	53.9	24	109.7	54.6
27	113.5	52.3	25	101.7	54.6	31	109.6	52.8
Apr 3	102.3	47.7	Apr 1	100.0	52.3	Apr 7	102.2	50.8
10	99.1	47.6	8	97.5	48.8	14	95.0	47.0
17	104.3	48.2	15	99.3	48.8	21	102.6	47.7
24	105.2	47.1	22	97.9	47.8	28		
May 1	103.1	47.2	29	98.1	46.7	May 5		
8	103.2	44.3	May 6	101.2	47.2	12		
15	108.7	46.2	13	103.1	46.8	19		
22	112.5	47.3	20	104.0	46.3	26		
29	111.8	45.0	27	108.3	47.7	Jun 2		
Jun 5	87.2	39.4	Jun 3	90.7	41.3	9		
12	99.9	43.4	10	105.0	46.4	16		
19	99.3	43.9	17	101.6	45.2	23		
26	99.8	44.0	24	102.8	47.3	30		
Jul 3	101.0	46.0	Jul 1	104.7	47.4	Jul 7		
10	84.7	38.9	8	75.4	37.0	14		
17	102.2	45.9	15	103.7	48.6	21		
24	101.8	47.6	22	99.1	48.1	28		
31	95.2	46.6	29	92.0	45.9	Aug 4		
Aug 7	97.7	46.0	Aug 5	93.8	46.1	11		
14	107.7	51.2	12	92.8	45.8	18		
21	108.2	52.3	19	95.3	46.2	25		
28	107.3	51.0	26	103.5	50.4	Sep 1		
Sep 4	108.3	49.8	Sep 2	108.7	52.1	8		
11	92.8	44.5	9	89.6	45.4	15		
18	107.3	49.5	16	106.9	50.5	22		
25	112.0	52.6	23	107.8	51.0	29		
Oct 2	111.5	51.3	30	107.1	54.2	Oct 6		
9	114.2	51.3	Oct 7	109.6	52.2	13		
16	116.5	51.5	14	108.0	51.3	20		
23	119.3	51.9	21	116.3	54.6	27		
30	124.9	55.4	28	118.2	55.0	Nov 3		
Nov 6	125.2	54.0	Nov 4	118.5	56.1	10		
13	127.2	55.8	11	118.0	57.7	17		
20	125.3	55.3	18	120.9	59.0	24		
27	100.7	45.3	25	99.8	49.3	Dec 1		
Dec 4	122.0	55.5	Dec 2	126.8	62.7	8		
11	118.2	55.5	9	125.1	61.4	15		

FEDERAL MILK ORDER PRICE AND POOL SUMMARY, APRIL

HIGHLIGHTS. Handler reports of receipts and utilization under the Federal milk order system for April have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During April, about 9.9 billion pounds of milk were received from producers. This volume of milk is 1.8 percent lower than the April 2000 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is +1.2 percent.) About 3.7 billion pounds of producer milk were used in Class I products, 1.4 percent higher than the previous year. Calendar composition likely had a positive impact on milk used in Class I in 2001 as compared to 2000. The all-market average Class utilization percentages were; Class I = 37%, Class II = 9%, Class III = 47%, and Class IV = 7%. The weighted average statistical uniform price was \$14.32 per cwt., \$0.68 higher than last month, and \$2.69 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF APRIL 2001										
FEDERAL MILK ORDER MARKETING AREA ^{1/}	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE ^{2/}
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	2,048.9	-2.0	843.4	3.3	41	16	33	10	15.24
Appalachian (Charlotte)	005	618.2	9.3	341.1	0.1	55	15	15	15	15.84
Southeast (Atlanta)	007	703.7	4.8	392.2	2.3	56	13	21	10	15.57
Florida (Tampa)	006	241.0	-6.9	211.1	-0.3	87	7	3	3	17.34
Midwest (Cleveland)	033 ^{3/}	1,306.0	18.2	524.3	0.2	40	7	49	4	13.94
Upper Midwest (Chicago)	030 ^{3/}	1,687.2	-18.4	313.6	-3.7	19	3	77	1	12.89
Central (Kansas City)	032 ^{3/}	1,516.7	13.1	384.3	0.8	25	6	66	3	13.42
Southwest (Dallas)	126 ^{3/}	681.0	-8.2	322.7	3.0	48	7	41	4	14.91
Arizona-Las Vegas (Phoenix)	131	266.7	-7.7	77.5	0.4	29	5	38	28	14.07
Western (Salt Lake City)	135 ^{3/}	339.1	-13.5	81.3	7.0	24	8	67	1	13.41
Pacific Northwest (Seattle)	124 ^{3/}	524.6	-10.5	169.8	4.3	32	7	39	22	14.05
ALL MARKET AVERAGE OR TOTAL	^{3/}	9,933.1	-1.8	3,661.3	1.4	37	9	47	7	14.32

^{1/} Names in parentheses are the major city in the principal pricing point of the market.

^{2/} Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

^{3/} Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform (blend) price in these markets, handlers elected not to pool an estimated 600 million pounds of milk that normally would have been associated with these markets. In April 2000, the estimated not-pooled volume of milk was 300 million pounds. After adjusting for these not-pooled volumes, the year-to-year percent change is +1.2.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE WEEK OF MAY 14 - 18, 2001			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES#	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/00	SAME PERIOD LAST YEAR	WEEK ENDING 05/11/01	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Unsalted	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	3,050,083	495,203	-0-	-0-
Barrel	-0-	-0-	-0-	4,025,276	-0-	-0-	-0-
Process	-0-	-0-	-0-	3,999,600	5,306,400	-0-	-0-
TOTAL	-0-	-0-	-0-	11,074,959	5,801,603	-0-	-0-
NONFAT DRY MILK							
Nonfortified	6,210,647	476,608	5,734,039	294,986,587	299,125,714	530,351,000	-0-
Fortified	396,592	-0-	396,592	27,655,246	5,313,347	37,731,000	-0-
TOTAL	6,607,239	476,608	6,130,631	322,641,833	304,439,061	568,082,000	-0-

#Although an uncommitted inventory of NDM has continued to exist for some time, it has not been reported due to CCC's efforts to utilize all NDM purchased under price support.

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	BASIS	SOLIDS		BASIS	SOLIDS
WEEK OF MAY 14 - 18, 2001 =	1.3	71.4	COMPARABLE WEEK IN 2000 =	5.2	159.6
CUMULATIVE SINCE OCTOBER 1, 2000 =	173.2	3,865.2	CUMULATIVE SAME PERIOD LAST YEAR =	120.5	3,601.1
CUMULATIVE JANUARY 1 - MAY 18, 2001 =	56.7	2,382.6	COMPARABLE CALENDAR YEAR 2000 =	109.3	3,008.0

* Factors used for Fat Solids Basis Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22
 **Factors used for Skim Solids Basis Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF MAY 14 - 18, 2001 (POUNDS)

REGION	BUTTER				CHEESE		NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	5,734,039	396,592
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/00 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00	2000/01	1999/00
MIDWEST	-0-	-0-	5,995,440	5,721,075	3,502,074	32,971,300	32.4	49.8
WEST	-0-	-0-	5,039,919	80,528	319,139,759	269,027,764	67.4	49.7
EAST	-0-	-0-	39,600	-0-	-0-	2,439,997	0.2	0.5
TOTAL	-0-	-0-	11,074,959	5,801,603	322,641,833	304,439,061	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 16, 2001

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80

BUTTER Bulk \$.6549 per pound; 1# Prints \$.6849
CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1839; Process Am. 2# \$1.2239
NONFAT DRY MILK Nonfortified \$1.0032 per pound; Fortified \$1.0132; Instant \$1.1607

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 04/28/01 & Comparable Week 2000											U.S. TOTAL		% DAIRY OF ALL	
Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
2001-Dairy	0.2	0.7	5.2	4.4	21.1	2.2	1.5	0.8	10.5	2.7	49.3	926.1	44.5	49.2
2000-Dairy	0.2	1.0	5.6	4.7	18.5	2.3	0.8	0.7	9.7	3.1	46.7	893.3	47.6	50.7
2001-All cows	0.2	0.9	7.1	16.1	29.8	14.4	17.6	5.0	12.9	6.7	110.7	1,881.8		
2000-All cows	0.2	1.1	7.6	13.1	27.1	13.5	13.6	4.1	11.8	5.9	98.1	1,761.2		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III (2000) AND BFP (1998-99) MILK PRICES, (3.5% BF, \$/CWT. FOR COMPARISON PURPOSES ONLY)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79	16.26	11.49	9.79	9.63
2000	10.05	9.54	9.54	9.41	9.37	9.46	10.66	10.13	10.76	10.02	8.57	9.37

FEDERAL MILK ORDER CLASS PRICES FOR 2001 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	13.99	11.94	12.65	13.44	14.21							
II	12.82	13.43	14.17	15.10								
III	9.99	10.27	11.42	12.06								
IV	12.13	12.70	13.46	14.41								

1/ Specific order differentials to be added to this base price are located at: www.ams.usda.gov/dairy/mib/class_prod_milk_comp_pr.htm

18	112.4	53.4	16	108.5	54.0	22
25	88.2	42.9	23	108.3	55.0	29
			30	88.6	45.1	

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, the Food Safety and Inspection Service and the National Agricultural Statistics Service, all of USDA.